

MONETLEY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

MONETLEY LTD

COMPANY INFORMATION

Director	Lindsay Burrett (appointed 11 May 2023)
Registered number	10978538
Registered office	2nd Floor Berkeley Square House Berkeley Square London W1J 6BD
Independent auditors	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 14th Floor 33 Cavendish Square London W1G 0PW

MONETLEY LTD

CONTENTS

	Page
Strategic report	1 - 6
Directors' report	7 - 8
Independent auditors' report	9 - 12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	15
Statement of cash flows	16
Analysis of net debt	17
Notes to the financial statements	18 - 30

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Introduction

The directors present their Strategic Report and financial statements for the year ended 30 September 2022.

Business review

The Company is an electronic money institution authorised by the Financial Conduct Authority of the United Kingdom (the "FCA") under the FCA reference number 900921.

The Company is established in the United Kingdom (the "UK") under the registered company number 10978538, with registered office address at 2nd Floor, Berkeley Square House, Berkeley Square, London, United Kingdom, W1J 6BD.

The directors were satisfied with the year's performance with revenues of £1,345,615 (2021 - £170,234) and net profit amounting to £203,811 (2021 - net loss of £80,186). This is set out in the Statement of Comprehensive Income on page 13.

The main business revenue continues to be generated from fees charged on the issue of electronic money and the provision of payment services. The Company provides its services both for private individuals and corporate entities. These mainly are focused on customers from the United Kingdom and across Europe.

To monitor the performance of the Company, the directors review revenue generation as well as having a focus on e-money liabilities which is one of its main performance indicators. Customer e-money liabilities increased during the year to £15,523,186 (2021: £15,040,236). The growth of the liabilities is expected to grow, which in turn increases the level of regulatory capital that must be maintained. The capital levels are continually monitored, and the directors are confident that there is sufficient reserves for the foreseeable future.

Since the end of the financial year and following FCA approval, the Company has been acquired in full by MRCR Holdings Limited, a company registered in Cyprus. MRCR is a holding company for a number of European based businesses and is very well capitalised, therefore providing additional financial support and long-term security for the Company.

The short-term business strategy is focused on wider promotion and recognition of the Company's services and Monetley business image, launch of new products such as Monetley payment card services, broadening of bank-partners and business-partners network and the Company's membership with international payment systems. The Company has a risk appetite that may be defined as low to medium.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Principal risks and uncertainties

Since the acquisition of the Company by MRCR Holdings Limited, management has started to implement a greater level of risk management which gives the risk committee a much higher remit on monitoring the principal risks of the business. The controls and monitoring processes will continue to be enhanced in the future to further improve its corporate governance.

In order to achieve successful business realisation of our business strategy, the Company has defined and assessed the following risks, which may have a negative impact on the Company performance:

COVID-19 risk

The impact of COVID-19 was unprecedented for customers. Monetley is a digital business and good business continuity planning ensured that it was able to respond to the physical challenges of the pandemic and continues to operate a hybrid working policy for staff. FY2022 saw revenue recovery from 2021 which was suppressed in part due to the national measures taken to contain the pandemic. The Company now looks to position itself for growth and remains optimistic for further growth in FY2023.

Global conflict

The invasion of Ukraine is being monitored closely by the board to assess the risks to the Company. Most of these risks are not unique to Monetley, such as the heightened risk of cyber-attack or disruption to internet connectivity impacting the Company's operations or those of our suppliers. At present the board believes controls are in place to sufficiently mitigate the potential risks.

Prices and interest rate risk

The main impact is reflected in negative impact to global markers due to:

- (i) military conflicts;
- (ii) political confrontations;
- (iii) economic embargoes and sanctions; and
- (iv) COVID-19.

The Company is not currently materially affected by global market price fluctuations due to the nature of services provided. It is also not involved in any significant investment activity in external market.

Currency exchange risk

The Company provides multi-currency services and the main impact is reflected by:

- (i) fluctuations in global market and stocks;
- (ii) import and export cycle breaks; and
- (iii) jurisdiction risk (restrictive nature changes in applicable laws and regulations).

The Company currently reports its financials in GBP but provides services in two currencies EUR and GBP. The relative stability of the two currencies means the Company is not materially impacted by currency risk although any exposure is constantly monitored.

Liquidity risk

The main risk comes from the Company's inability to meet the obligations as they fall due which could threaten its stable financial position. Staff costs are the highest demand on company resources as it retains employees in a number of areas to meet its

operational demands. Management regularly review the performance of the business to ensure its costs base is sustainable and is confident that the Company is able to achieve its business goals. Currently the business is profitable and cash generative, however should the position change the directors have received assurances from its parent company that it will continue to provide support if falls due for the foreseeable future.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

IT systems and software risk

This is the risk that systems such as worldwide payment systems functionality experience interruption, disruption, or collapse). This would lead to:

(i) probability that customers will incur losses as a result of damage to information systems; electronic

systems or remote online banking systems;

(ii) unauthorised access to the systems by third parties (using credentials of the customer or otherwise); and

(iii) other external circumstances (cyber-attacks, worldwide nets interruptions).

During the financial period no IT systems and software risk incidents were reported. The Company applies strong two factors authentication for its customers and all respective security measures (password, firewalls, fraud monitoring tools) in order to ensure optimal security with its internal systems and safeguard customers' funds held by it.

Risk of regulatory changes, including tax risk

This is considered to impact the business by:

(i) changes that restrict certain markets, jurisdictions or individuals; and

(ii) entry into force of new laws and regulation restricting current business processes.

The Company has a strong compliance team comprising experienced compliance experts. During the year the Company also entered into contractual relationship with experienced consultants who are well known in UK regulatory and compliance field. As a result, management believes the Company can remain fully compliant with national and international regulatory requirements.

Operational risk

This is the risk that loss could result from inadequate or failed internal processes, staff, controls, systems or from external events.

The Company continuously monitors its business and IT processes and seeks ways to improve its internal control mechanisms to provide all internal processes effectiveness and risk-based management.

Fraud and AML risk

This is the risk the Monetley products could be used as a mechanism to facilitate fraudulent or money laundering activity.

At the end of the reported period no significant failures were reported. The Company applies sufficient technical and human resources to ensure fraud controls are sufficient to mitigate the risk. The Company's internal system is configured in a manner which accurately identifies and alerts suspicious transactions or those initiated by countries being under financial sanctions, FATF/OFAC countries or countries identified as 'prohibited' or 'restricted' by the Company's internal AML/CTF rules and procedures.

All the Company's internal AML/CTF rules and procedures are regularly reviewed and updated and are fully compliant with the regulatory requirements and in accordance with the Company's set risk appetite. An experienced MLRO is in place and controls all AML/CTF processes with the Company on a day-to-day manner.

The Company is in contractual relationship with reliable partners also help to ensure the Company's internal processes compliance remains at a high level.

Counterparty or default risk

Loss of counterparties in certain circumstances whereby they are unable or refuse to perform its obligations to the Company. At the end of the reported period no counterparty or default risk events were established.

To avoid occurrence of such risk, company policy is to spread its counterparty network. Counterparties have pre-check parameters which are incorporated in the Company's internal documents, all counterparties are under comprehensive KYC and financial stability checks to avoid risk of default.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Conduct risk

The risk that any products, services, behaviour, systems and/or controls may cause detriment to a customer, and negatively impact the integrity of the market. This area covers customer communications, customer servicing, product & service design, FCA Compliance & Regulatory Affairs, and vulnerable customers.

Monetley's internal conduct rules focus on the fair treatment of customers as well as ensuring appropriate conduct in the Financial Conduct Authority's (FCA's) Conduct Rules. These are managed and monitored by the compliance team which reviews the processes and reports to the Risk Committee. Compliance also manages the assessment of new products and their features to ensure they are appropriate, including undertaking annual product assessments.

Other risks

The Company may be affected by other risks that cannot be fully anticipated or controlled. For example, occurrence of various force majeure circumstances (such as natural disasters, hostilities, strikes, etc.), national sanctions and court judgments. The business maintains a risk register that is reviewed monthly by the risk committee. Any material impact on the Company as a result of previously identified risk or the emergence of new risks are reported to the committee as soon as the occurrence has been established.

Financial key performance indicators

The financial indicators of the Company are as follows:

Net profit: £203,811 (2021 - net loss of £80,186)

Net assets: £507,565 (2021 - £303,754)

Customer liability balance: £15,523,186 (2021 - £15,040,236)

The Company's financial results are in line with management's financial expectation for the year ended 30 September 2022.

Other key performance indicators

The management considers there are no other key performance indicators.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Section 172 (1) Statement

The Directors must act in accordance with the duties set out in the Companies Act 2006 (the 'Act'). Under Section 172, the Directors have a duty to promote the success of the Company for the benefit of its members as a whole. When making decisions, the Board ensures that it acts in a way it considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard to:

- the likely consequences of any decisions for the longer term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers, regulators and others;
- the impact of the Company's operations on the community and environment; and
- the desirability of the Company maintaining a reputation for high standards of business conduct.

The duty to assess the interests of all stakeholders is central to the Directors' decision-making process. The Directors recognise that it is a key requirement to ensure that when making strategic decisions it has the relevant management information to fully consider the potential impact on the relevant stakeholders of any given decisions they approve. This is demonstrated by the development of the management information received by the Board and any sub-groups, which has been updated during the course of the year to include relevant metrics to manage the Company.

The Board is also provided with regular reports from its sub groups of key decisions taken, material risks and performance updates.

Long term decisions

The Board reaffirmed the strategic focus on the individuals and corporate institutions that under-served in the financial services market. Resources and capabilities of the firm across its people, IT systems and governance have been strengthened despite the volatile macro-economic environment. A thorough gap analysis against the new customer duty regulations and other governance expectations was undertaken and any remaining gaps being addressed. Focus was also given to the Equality, Diversity & Inclusion policy, strengthening the Company's Operational Resilience, and ensuring regulatory requirements are met by the set deadlines.

The interests of employees

The Directors recognise the need to attract and retain talent and ensure employee well-being. The Company has a flexible working policy in place, using the lessons learned from the last two years.

All colleague meetings are held weekly that are also used to provide information on a number of key topics. There is also a monthly CEO update that provides information on business performance and key initiatives. Additionally, employees are encouraged to provide feedback and raise concerns to either their immediate line managers or high if appropriate.

Relationships with suppliers, customers and regulators

The Company monitors feedback from customers that is provided directly to the Company. This information is used to help inform decision making and prioritise what is important to customers.

The Company continues to develop long term business relationships with key suppliers through its supplier review and polices. This involves assessing the importance of each supplier and designing our engagement with them based on a range of risk criteria including financial and information security.

The Company is committed to engaging openly and transparently with its regulators. During the course of the year, there was some engagement with the regulators to provide them with key information relating to the capital and issues that may have arisen relating to all aspects of the Company's activities, including risk and compliance. A dedicated resource has been established to manage

regulatory affairs.

The Company places a high value on compliance with all relevant regulations, promoting the highest level of integrity and ethical behaviour. All colleagues undertake appropriate mandatory training appropriate to their roles, on an annual basis.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The community and the environment

The Directors recognise the importance of representing and contributing to the communities that are served. The Company is committed to having a positive impact on the environment by using systems that minimise impact on the environment. As a digital business without physical branches the Company already provides a low environmental impact solution to financial services. The Company engages in initiatives for low energy use in the small amount of office space that it does have. The Company will also ensure that its forward-looking decisions on office space will be made with environmental factors in mind.

As part of supplier management and in support of anti-slavery the Company seeks assurances from key suppliers in this area ensuring that they have Modern Slavery policies and appropriate commitments are made in key supplier contracts. This process also ensures that key suppliers can also evidence that they have diversity and inclusion policies.

Shareholders

The Bank will continue to engage openly and transparently with both its new and existing investors.

This report was approved by the board and signed on its behalf.

Lindsay Burrett
Director

Date: 29 September 2023

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Directors present their report and the financial statements for the year ended 30 September 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is that of an electronic money institution.

Business review

The directors have provided a business review and information of the Company's future developments in the Strategic Report.

Results and dividends

The profit for the year, after taxation, amounted to £203,811 (2021 - loss £80,186).

There were no dividends declared or paid during the year and the prior year.

Directors

The Directors who served during the year were:

Dimitrijs Lapkovskis (resigned 30 June 2023)
Natalja Medvede (resigned 30 June 2023)

Lindsay Burrett became a director of the Company on 11 May 2023.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Matters covered in the Strategic report

Management's review of developments and future prospects and principal risks and uncertainties are included in the Strategic Report.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

The Company was fully acquired by MRCR Holdings Limited on 20 February 2023.

Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Lindsay Burrett

Director

Date: 29 September 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONETLEY LTD

Opinion

We have audited the financial statements of Monetley Ltd (the 'Company') for the year ended 30 September 2022, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONETLEY LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONETLEY LTD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In order to identify and assess the risks of material misstatements, including fraud and non-compliance with laws and regulations that could be expected to have a material impact on the financial statements, we have considered:

- the results of our enquiries of management and those charged with governance of their assessment of the risks of fraud and irregularities;
- the nature of the Company, including its management structure and control systems (including the opportunity for management to override such controls);
- management's incentives and opportunities for fraudulent manipulation of the financial statements including the Company's remuneration and bonus policies; and
- the industry and environment in which it operates.

We also considered UK tax and pension legislation and laws and regulations relating to employment and the preparation and presentation of the financial statements such as the Companies Act 2006.

Based on this understanding we identified the following matters as being of significance to the entity:

- laws and regulations considered to have a direct effect on the financial statements including UK financial reporting standards, Company Law, tax and pension legislation; distributable profits legislation; and Financial Conduct Authority ("FCA") rules;
- the timing of the recognition of commercial income;
- management bias in selecting accounting policies and determining estimates; and
- recoverability of debtors.

We communicated the outcomes of these discussions and enquiries, as well as consideration as to where and how fraud may occur in the entity, to all engagement team members.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised:

- enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations;
- enquiries with the same concerning any actual or potential litigation or claims;
- discussion with the same regarding any known or suspected instances of non-compliance with laws and regulation and fraud;
- assessment of matters reported to management and the result of the subsequent investigation;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONETLEY LTD (CONTINUED)

- obtaining an understanding of the relevant controls during the year;
- obtaining an understanding of the policies and controls over the recognition of income and testing their implementation during the year;
- review documentation relating to compliance with the regulations relating to health and safety including health and safety certificates; fire assessment reports; and the correspondence with the Financial Conduct Authority ("FCA");
- challenging assumptions made by management in their specific accounting policies and estimates;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or crediting revenue;
- assessing the recovery of debtors in the year since the balance sheet date and challenging assumptions made by management regarding the recovery of balances which remain outstanding;
- reviewing the financial statements for compliance with the relevant disclosure requirements;
- performing analytical procedures to identify any unusual or unexpected relationships or unexpected movements in account balances which may be indicative of fraud; and
- reviewing the correspondence with HMRC.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Shilen Manek ACA FCCA (Senior statutory auditor)

for and on behalf of
Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

14th Floor
33 Cavendish Square
London
W1G 0PW

29 September 2023

MONETLEY LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Turnover	4	1,345,615	170,234
Cost of sales		(247,461)	(24,028)
Gross profit		1,098,154	146,206
Administrative expenses		(907,290)	(226,389)
Operating profit/(loss)	5	190,864	(80,183)
Interest payable and similar expenses	9	(253)	(3)
Profit/(loss) before tax		190,611	(80,186)
Tax on profit/(loss)	10	13,200	-
Profit/(loss) for the financial year		203,811	(80,186)
Total comprehensive income for the year		203,811	(80,186)

The notes on pages 18 to 30 form part of these financial statements.

MONETLEY LTD
REGISTERED NUMBER: 10978538

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	19,850	-
Tangible assets	12	5,045	-
		<u>24,895</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	13	34,673	79,532
Cash at bank and in hand	14	16,157,946	15,322,283
		<u>16,192,619</u>	<u>15,401,815</u>
Creditors: amounts falling due within one year	15	(15,709,949)	(15,098,061)
Net current assets		482,670	303,754
Total assets less current liabilities		<u>507,565</u>	<u>303,754</u>
Net assets		<u><u>507,565</u></u>	<u><u>303,754</u></u>
Capital and reserves			
Called up share capital	17	516,300	516,300
Profit and loss account	18	(8,735)	(212,546)
		<u><u>507,565</u></u>	<u><u>303,754</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Lindsay Burrett
Director

Date: 29 September 2023

The notes on pages 18 to 30 form part of these financial statements.

MONETLEY LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2020	303,308	(132,360)	170,948
Comprehensive income for the year			
Loss for the year	-	(80,186)	(80,186)
Total comprehensive income for the year	-	(80,186)	(80,186)
Shares issued during the year	212,992	-	212,992
At 1 October 2021	516,300	(212,546)	303,754
Comprehensive income for the year			
Profit for the year	-	203,811	203,811
At 30 September 2022	516,300	(8,735)	507,565

The notes on pages 18 to 30 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022	2021
	£	£
Cash flows from operating activities		
Profit/(loss) for the financial year	203,811	(80,186)
Adjustments for:		
Depreciation of tangible assets	1,018	-
Interest paid	253	3
Taxation charge	(13,200)	-
Decrease/(increase) in debtors	58,059	(78,216)
Increase in creditors	611,888	15,031,350
Net cash generated from operating activities	<u>861,829</u>	<u>14,872,951</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(19,850)	-
Purchase of tangible fixed assets	(6,063)	-
Net cash used in investing activities	<u>(25,913)</u>	<u>-</u>
Cash flows from financing activities		
Issue of ordinary shares	-	212,992
Interest paid	(253)	(3)
Net cash (used in)/from financing activities	<u>(253)</u>	<u>212,989</u>
Net increase in cash and cash equivalents	835,663	15,085,940
Cash and cash equivalents at beginning of year	15,322,283	236,343
Cash and cash equivalents at the end of year	<u><u>16,157,946</u></u>	<u><u>15,322,283</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	16,157,946	15,322,283
	<u><u>16,157,946</u></u>	<u><u>15,322,283</u></u>

The notes on pages 18 to 30 form part of these financial statements.

MONETLEY LTD

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	At 1 October 2021 £	Cash flows £	At 30 September 2022 £
Cash at bank and in hand	15,322,283	835,663	16,157,946
	<u>15,322,283</u>	<u>835,663</u>	<u>16,157,946</u>

The notes on pages 18 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. General information

Monetley Ltd is a company incorporated in England and Wales, registration number 10978538. The address of the registered office 2nd Floor, Berkeley Square House, Berkeley Square, London, W1J 6BD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis on the assumption that continued financial support will be forthcoming from its shareholder.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue from payment transactional services are recognised at the point when a transaction is processed in the customers' digital banking account with the Company.

Revenue from other services provided to the customers is recognised when the service is fully provided.

Other recurring service income is recognised when the services are fully provided over the contracted period.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- Over 3 years
Computer equipment	- Over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.14 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider there are no significant judgments in applying accounting policies and estimates of uncertainty in the preparation of these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Payment transactional and other services	1,345,615	170,234
	<u>1,345,615</u>	<u>170,234</u>

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	2021 £
Exchange differences	(20,442)	6,001
Tangible fixed assets - depreciation	<u>1,018</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	2022 £	2021 £
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	17,600	6,000
Fees payable to the Company's auditors and their associates in respect of:		
Taxation compliance services	750	500
All non-audit services not included above	<u>750</u>	<u>500</u>

7. Employees

	2022 £	2021 £
Wages and salaries	530,691	132,546
Social security costs	90,666	17,321
Cost of defined contribution scheme	5,530	1,180
	<u>626,887</u>	<u>151,047</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2022 No.	2021 No.
Directors	2	2
Administrative	13	8
	<u>15</u>	<u>10</u>

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	111,755	28,845
Company contributions to defined contribution pension schemes	2,538	579
	<u>114,293</u>	<u>29,424</u>

During the year retirement benefits were accruing to 2 Directors (2021 - 2) in respect of defined contribution pension schemes.

MONETLEY LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	253	3
	<u>253</u>	<u>3</u>

10. Taxation

	2022 £	2021 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(13,200)	-
Total deferred tax	<u>(13,200)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(13,200)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	190,611	(80,186)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	36,216	(15,235)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	29	156
Capital allowances for year in excess of depreciation	(1,477)	-
Utilisation of tax losses	(44,643)	-
Changes in provisions leading to an increase (decrease) in the tax charge	(156)	-
Unrelieved tax losses carried forward	-	15,079
Other differences leading to an increase (decrease) in the tax charge	(3,169)	-
Total tax charge for the year	(13,200)	-

The Company has tax losses of £76,617 carried forward (2021: £234,965) which may be offset against the Company's future taxable profits.

Factors that may affect future tax charges

Subsequent the year end, the Corporation Tax rate has increased to 25% for larger companies from 1 April 2023. Deferred tax asset is calculated based on the future tax rate of 25%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Intangible assets

	Computer software £
Cost	
Additions	19,850
At 30 September 2022	19,850
Net book value	
At 30 September 2022	19,850
At 30 September 2021	-

Computer software was not depreciated as it was not in use in the year.

12. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
Additions	340	5,723	6,063
At 30 September 2022	340	5,723	6,063
Depreciation			
Charge for the year on owned assets	-	1,018	1,018
At 30 September 2022	-	1,018	1,018
Net book value			
At 30 September 2022	340	4,705	5,045
At 30 September 2021	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

13. Debtors

	2022 £	2021 £
Trade debtors	-	24,094
Other debtors	2,257	2,214
Prepayments and accrued income	19,216	53,224
Deferred taxation	13,200	-
	<u>34,673</u>	<u>79,532</u>

14. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	16,157,946	15,322,283
	<u>16,157,946</u>	<u>15,322,283</u>

Included in cash at bank is client funds in the total of £15,523,186 (2021 - £15,040,236), with the related liability of the same amount included in other creditors - see note 15.

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	22,096	13,530
Other taxation and social security	24,979	12,566
Other creditors	15,557,612	15,061,586
Accruals and deferred income	105,262	10,379
	<u>15,709,949</u>	<u>15,098,061</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

16. Deferred taxation

	2022 £
Charged to profit or loss	13,200
At end of year	13,200

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(6,224)	-
Tax losses carried forward	19,154	-
Pension creditor	270	-
	<u>13,200</u>	<u>-</u>

17. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
600,000 (2021 - 600,000) Ordinary shares of €1.00 each	<u>516,300</u>	<u>516,300</u>

18. Reserves

Profit and loss account

The profit and loss account consists of accumulated profits and losses.

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £5,530 (2021 - £1,180).

Contributions totalling £1,078 (2021 - £822) were payable to the fund at the balance sheet date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

20. Related party transactions

At the balance sheet date, the Company owed £30 (2021: £50) to its director at the balance sheet date.

During the year, the Company paid consultancy fees of £27,962 (2021: £NIL) to a connected company in which a company director has significant influence in.

21. Post balance sheet events

The Company was fully acquired by MRCR Holdings Limited on 20 February 2023.

22. Controlling party

On 20 February 2023, the Company was fully acquired by MRCR Holdings Ltd, a company incorporated in Cyprus, which would become the immediate parent of the Company. The ultimate parent of the Company is MoneyBag, a company incorporated in the Cayman Islands.

Prior to the sale, the Company's controlling party was Dimitrijs Lapkovskis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.